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ABSTRACT

The National Literacy Act of 1991 is a comprehensive approach for improving the literacy and basic skill levels of adults by coordinating, integrating, and investing in adult and family literacy programs at the federal, state, and local levels. The legislation provides for research and program delivery. All sectors, including public, community-based, volunteer, business, and industry programs, are involved in the provision of literacy services. This document records the text of the act as amended by and reported out of the Committee on Education and Labor of the U.S. House of Representatives. The document also includes the following: (1) an explanation of the background and need for the legislation and an explanation of the bill by its six titles (Literacy: Strategic Planning, Research, and Coordination; Workforce Literacy; Investment in Literacy; Business Leadership for Employment Skills; Books for Families; and Literacy for Incarcerated Individuals); (2) a cost estimate for implementation of the legislation; and (3) a section-by-section analysis of the bill. (KC)

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102D CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPORT
102-23

ED340889

NATIONAL LITERACY ACT OF 1991

MARCH 18, 1991.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. FORD of Michigan, from the Committee on Education and Labor, submitted the following

REPORT

[To accompany H.R. 751]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and Labor, to whom was referred the bill (H.R. 751), a bill to enhance the literacy and basic skills of adults, to ensure that all adults in the United States acquire the basic skills necessary to function effectively and achieve the greatest possible opportunity in their work and in their lives, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

COMMITTEE CONSIDERATION

During the 101st Congress, the Subcommittee on Elementary, Secondary, and Vocational Education held a hearing on H.R. 3123, the Adult Literacy and Employability Act on November 2, 1989. H.R. 3123 was later incorporated into an omnibus education bill, H.R. 5115, the Equity and Excellence in Education Act of 1990. The Committee met in mark-up session on H.R. 5115, which included H.R. 3123, on June 27, 1990, and ordered reported the bill by a recorded vote of 29 to 5, with one member voting present. This legislation passed the House of Representatives on July 20, 1990. The House of Representatives later passed an amended version of the omnibus bill, H.R. 5932, which included the literacy provisions on October 26, 1990.

During the 102nd Congress, the Subcommittee held an oversight hearing on workplace literacy in Flint, Michigan, on Februarv 11,

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1991. Congressman Sawyer introduced the amended literacy legislation as H.R. 751 on February 22, 1991. A Subcommittee mark-up on H.R. 751 was held on March 7, 1991, and the bill was unanimously reported to the full Committee. The Committee on Education and Labor held a mark-up on March 12, 1991, and the legislation was ordered reported by a vote of 34 to 1.

Background and Need for Legislation

The National Literacy Act of 1991 is a comprehensive approach for improving the literacy and basic skill levels of adults by coordinating, integrating, and investing in adult and family literacy programs at the federal, state, and local levels. The legislation provides for research and quality program delivery. All sectors including public, community-based, volunteer, business, and industry programs are involved in the provision of literacy services.

Close to 30 million American adults have serious problems with literacy: the ability to read, write, speak English, compute and solve problems effectively. The nation's literacy problems are closely associated with poverty and pose major threats to the economic well-being of the United States. Our future competitiveness and an individual's active participation in the democratic process are severely hampered without an all-out attack on these problems.

Present public and private programs reach only a small portion of the population in need, are underfunded, poorly coordinated, and require greater investments in teacher training. Access to better information about best practices in the field and research to provide better diagnostic and instructional informational materials are also essential tools which are lacking in the field.

This legislative effort has seven titles that will address these issues by providing an infrastructure for coordination, research, and planning; upgrading the literacy and basic skills training systems; and investing in the programs assisting adults and families with low levels of literacy.

Explanation of H.R. 751

TITLE I—LITERACY: STRATEGIC PLANNING, RESEARCH, AND COORDINATION

Title I establishes an infrastructure for federal and state leadership, research, planning, and comprehensive quality program delivery. It creates a National Institute for Literacy which shall be administered through an interagency agreement between the Secretaries of Education, Labor, and Health and Human Services. The Institute would be housed outside these departments and would have an advisory board consisting of representatives from state and local governments, the literacy field, and the private sector. The Institute shall not only be a central repository of information and expertise for federal programs, but also should serve Congress, the states, program providers, business and industry. The National Institute for Literacy is authorized at $15 million for each of fiscal years 1992, 1993, 1994, 1995 through section 384 of the Adult Education Act.

The Committee is aware that $5 million has been appropriated for fiscal year 1991 for an Institute on Literacy under the authority of Section 384(a) of the Adult Education Act. It is the Committee's intent that any subsequent funding for such an Institute be carried out through the provisions of section 384(a) as modified by this Act. The Committee does not intend for there to be two Institutes. Further, it is the intent of the Committee that the Department integrate any Institute activities begun with fiscal year 1991 funds into the Institute authorized by this Act in subsequent years. The work of the Institute should be coordinated with the National Center on Adult Literacy, as is stipulated in H.R. 751.

The Committee has deleted its Interagency Task Force from the reported bill. The Presisent has already established such a Task Force that has the goal of coordinating literacy programs. The Committee expects that the President will continue his Task Force and direct it to look vigorously for ways to coordinate agency efforts, and look at ways to create uniform assessment, evaluation, and reporting requirements in the various laws authorizing literacy services.

Title I also establishes State/Regional Literacy Resource Centers to link the National Center to program providers, upgrade the system of diffusion and adoption of state of the art teaching methods, assist in coordinating the literacy system, provide technical assistance to states and local government, and provide training to literacy instructors. This is a declining federal-state matching grant program, which requires the states to increase their investment in the formation and continued operation of the Literacy Resource Centers. This section authorizes $25 million for each of the fiscal years 1992, 1993, 1994, 1995.

TITLE II—WORKFORCE LITERACY

A National Workforce Literacy Collaborative is established in the Department of Labor to improve the basic skills of the currently employed, especially those workers who are marginally employed with low basic skills. Also, the Collaborative will assist small and medium-sized businesses, business associations, and labor organizations to develop and implement literacy programs tailored to the needs of the workforce. The Collaborative's major activities focus on providing small and medium-sized businesses with the technical assistance required to address the literacy needs of the workforce. The Collaborative is authorized at $5 million for each of the fiscal years 1992, 1993, 1994, and 1995.

Title II establishes a grant program for National Workforce Literacy Strategies as part of the Adult Education Act. This grant program will develop, test, and evaluate replicable large-scale national strategies based on local, regional, statewide and industry-wide partnerships between the public and private sectors. These models will demonstrate effective approaches to improving workforce literacy that can be implemented in the near term and are cost effective for individual employers and the nation as a whole. The Secretary is to reserve $5 million for the program when the appropriation for existing business-education partnerships for workplace literacy exceed $25 million in any one year. This section

also authorizes $60 million in fiscal year 1992 and "such sums" in fiscal years 1993, 1994, and 1995 for section 371 of the Adult Education Act including both workplace partnerships and the national strategies grant program.

TITLE III—INVESTMENT IN LITERACY

Title III assists states and local programs in providing essential education and training by investing in quality programs, program expansion, coordination, and staff training. The Adult Education Act basic grant program authorization is increased to $260 million in fiscal year 1992 and "such sums" in fiscal years 1993, 1994, and 1995. Additional provisions require that the state agency receiving Adult Education Act funds provide assurances that all programs which serve the educationally disadvantaged are given direct and equitable access to Adult Education Act funds.

The title provides for state coordination of adult literacy and basic skills programming by redefining the state adult education advisory board and requiring a coordination plan within the state Adult Education Plan. The plan identifies the literacy needs of the state's citizens and specifies a means for addressing these needs, including statewide goals.

The Committee has rewritten Section 322 of the Adult Education Act. The intent of these changes is to allow all literacy providers to have an equal chance to apply for and receive funding under this Act. This would mean that States could not simply send funds to a single type of provider on a formula basis with no opportunity for other types of providers to compete for the funds at the State or local level. The funds are distributed based on who can best provide services to the individuals targeted by the Act.

The Committee has included several changes to the Even Start Act in H.R. 751. These amendments are both technical and improving amendments that will increase the effectiveness of the program. Some of the more important changes are:

An expansion of the types of grantees eligible to apply for Even Start (the Committee intends that the Department of Education interpret "in collaboration with" to mean that an applicant involve other appropriate entities to the maximum extent practicable);

Making the Territories and Indian tribal schools eligible for Even Start grants; and

Clarifying the Committee's intent that funds be equitably, not equally, distributed between states and urban and rural areas.

TITLE IV—BUSINESS LEADERSHIP FOR EMPLOYMENT SKILLS

Title IV creates an education program for commercial drivers that would provide commercial drivers with the knowledge and skills necessary to successfully complete the test requirements under the Commercial Motor Vehicle Safety Act of 1986. This provision is authorized at $3 million for each of fiscal years 1991, 1992, and 1993.

TITLE V—BOOKS FOR FAMILIES

The Elementary and Secondary Education Act is amended to place priority on library literacy programs which are delivered in areas of greatest need and that coordinate with other literacy organizations and community-based organizations where new reading motivation programs are established by Reading Is Fundamental.

TITLE VI—LITERACY FOR INCARCERATED INDIVIDUALS

The corrections education portion of the legislation is an important new federal initiative. The legislation requires that within two years, each state will have at least one mandatory functional literacy program. Within five years, each state correctional system and jail or detention center with a population of 150 inmates shall have a mandatory literacy program when funding is available to operate such a program. The Committee intends by this last provision that the elements of the mandatory literacy program be specified in this section only to apply in those instances where funds are available to operate literacy program. However, where a literacy program is available, the requirements of this section apply and are mandatory.

Since the success of any correctional education program depends to a great extent on providing appropriate educational services in a particular institutional setting, "adequate opportunities for appropriate educational services and testing" includes appropriate assessment of English language proficiency and learning disabilites, and opportunities for individual inmates to receive appropriate instruction and assessment (including English as a second language, bilingual or other appropriate instructional programs to achieve functional English language literacy).

The National Institute of Corrections of the U.S. Department of Justice study Making Literacy Programs Work found that "Over half the programs * * * do not have any programs for special education students or non- or limited-English speakers." According to research including a 1989 study prepared for the National Institute of Corrections of the U.S. Department of Justice, the number of inmates with learning disabilities and other handicaps is estimated at between 10-40 percent. However, few adult correctional agencies have begun to implement the federal mandate of P.L. 94-142 and those who have done so usually limit services to the age 21 and under population. Research also indicates that many agencies working with individuals with disabilities are uninvolved with handicapped persons in corrections, or just marginally so. Closer interagency coordination in inmate education and transition to community life is vital.

As noted by the Standards for Adult and Juvenile Correctional Programs of the Correctional Education Association, it is essential that inmate literacy and other educational programs provide for "a system for initial screening, assessment and evaluation to determine the educational needs of each person at intake," (including staff qualified to interpret tests and decide when additional testing is needed, e.g. in order to determine whether an individual suffers from dyslexia or other learning disability as identified under P.L. 94-142, which would require special instructional services). Testing

and assessment of inmates under this Act shall be conducted in accordance with guidelines for educational testing developed by major professional associations in education and psychometrics, such as Psychological Association and National Council on Measurement in Education and the Joint Committee on Testing Practices.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

In compliance with clause 2(l)(3)(C) of Rule XI of the Rules of the House of Representatives, the estimate prepared by the Congressional Budget Office pursuant to section 403 of the Congressional Budget Act of 1974, submitted prior to the filing of this report, is set forth as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 12, 1991.

Hon. WILLIAM FORD,
Chairman, House Committee on Education and Labor, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 751, the National Literacy Act of 1991, as ordered by the House Committee on Education and Labor on March 12, 1991.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

ROBERT D. REISCHAUER,
Director.

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE

1. Bill number: H.R. 751.
2. Bill title: National Literacy Act of 1991.
3. Bill status: As ordered reported from the House Education and Labor Committee, March 12, 1991.
4. Bill purpose: The purpose of this bill is to authorize several new grant programs and to amend the authorization for several existing programs in order to enhance the literacy and basic skills of adults and to strengthen and coordinate adult literacy programs.
5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1992	1993	1994	1995	1996
Authorization:					
Interagency Task Force on Literacy:					
Estimated authorization	(1)	(1)	(1)	(1)	(1)
Estimated outlays	(1)	(1)	(1)	(1)	(1)
National Institute for Literacy:					
Estimated authorization	15	15	15	15	.....
Estimated outlays	12	15	15	15	3
State literacy resource centers:					
Estimated authorization	25	25	27	28	.....
Estimated outlays	3	20	25	27	24

[By fiscal years, in millions of dollars]

	1992	1993	1994	1995	1996
National workforce literacy assistance collaborative:					
Authorization	5	5	5	5	.....
Estimated outlays	1	4	5	5	4
Workplace literacy grants:					
Estimated authorization	40	42	65	67	.....
Estimated outlays	5	32	43	60	58
Adult education grants:					
Estimated authorization	43	44	280	291	.....
Estimated outlays	5	34	72	234	249
Even Start:					
Estimated authorization	8	9	.....	.....	.....
Estimated outlays	1	7	7	2	.....
Family literacy public broadcasting:					
Authorization	2	.....	.....	.....	.....
Estimated outlays	(1)	1	(1)	(1)	.....
Programs for Commercial drivers:					
Authorization	3	3	.....	.....	.....
Estimated outlays	(1)	2	3	1	(1)
Literacy challenge grants:					
Estimated authorization	3	3	.....	.....	.....
Estimated outlays	1	2	1	(1)	.....
Bill total:					
Estimated authorization	144	145	392	406	(1)
Estimated outlays	28	118	171	344	340

[1] Less than $500,000

The costs of this bill fall in Function 500.

Basis of estimate: H.R. 751 contains specific authorization of appropriations for the following programs: National Institute for Literacy, National Workforce Literacy Assistance Collaborative, Family Literacy Public Broadcasting, and Programs for Commercial Drivers. For the remaining programs CBO has estimated the authorization levels. A discussion of these later programs follows.

This bill establishes an Interagency Task Force on Literacy comprised of the Secretary of Education, the Secretary of Labor, the Secretary of Health and Human Services, and the Director of the ACTION Agency. The Department of Education currently participates in an Intergovernmental Advisory Council on Education and contributed $30,000 to this council in 1991. Adjusting this amount for anticipated inflation and assuming this to be the average contribution of each participating agency, CBO estimates the 1992 authorization to be $124,800. The estimated amounts authorized for 1993–1996 reflect the 1992 level adjusted for projected inflation.

Section 104 authorizes a grant program for the establishment of a network of State literacy resource centers. This program is authorized at $25 million in 1992 and 1993 and such sums as necessary in 1994 and 1995. The estimated amounts authorized for these years represent the 1993 level adjusted for anticipated inflation.

The Adult Education Act is amended to award grants to eligible small- and medium-sized businesses under a program entitled National Workforce Literacy Strategies. These grants would be used to provide literacy and basic skills training to workers. H.R. 751 authorizes $60 million for this grant program in fiscal year 1992, however, it is authorized currently through 1993 at such sums as may be necessary. H.R. 751 further amends the Adult Education

Act to increase the authorization for Adult Education Grants to $260 million in 1992. The program is authorized currently at such sums as may be necessary through 1993. In addition, the Even Start program, which is currently authorized at such sums as necessary through 1993 would be authorized at $60 million in 1992 and at such sums as may be necessary in 1993. For these three programs, CBO's estimate of the 1992 authorization represents the difference between the current estimated authorization level, the 1991 appropriation adjusted for projected inflation, and the amount specified in the bill. CBO's estimate of the authorization for 1993 is the difference between the amount specified for 1992, adjusted for expected inflation, and the current estimated authorization level. Both the 1994 and 1995 estimated authorizations represent the amount designated for 1992, adjusted for inflation.

H.R. 751 amends the Domestic Volunteer Service Act of 1973 to include a separate authorization of $2.5 million in 1992 for a new program of Literacy Challenge Grants. The program is authorized at such sums as may be necessary in 1993. Therefore, CBO's estimate of the 1993 authorization is the 1992 authorization adjusted for projected inflation.

Estimated total outlays assume full appropriation of estimated authorizations. In addition, the estimated outlays for the existing programs reflect current spending patterns; estimated outlays for new programs reflect the spending patterns of similar federal programs.

6. Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1995. Because this bill does not affect direct spending or receipts, there are no pay-as-you-go implications.

7. Estimated costs to State and local government: The grants for state literacy resource centers, the Workplace Literacy grants, the Adult Education grants, the Even Start grants, the grants for programs for Commercial Drivers, and Literacy Challenge Grants all require grantees to provide some matching funds.

The new grants to states for literacy resource centers would be awarded on a competitive basis. A state receiving a grant must finance 20 percent of the first and second year's total costs. This share increases to 40 percent of the total cost by the fifth year. If a state chooses to use the funds to establish or support a state council, however, it must match federal funds dollar for dollar.

The Workplace Literacy grants also would be awarded on a competitive basis. Federal funds would finance 70 percent of the total cost.

The Adult Education grants are basic grants to states; funding is distributed to states based on a population formula of the number of persons aged 16 and over in a state who do not have high school diplomas and who are not required to be enrolled in school. Grants shall be used to finance a maximum of 75 percent of the total cost.

The Even Start program is a basic grant distributed to state and local governments based on a population formula. The state and local governments are required to fund a minimum of 10 percent of the total cost of the program. By the fourth year, the state and local contribution to the total cost increases to 40 percent.

Federal funds may be used to finance 50 percent of the total cost of any program for Commercial Drivers. The non-Federal share need not come from state funds, however.

Literacy Challenge grants may be awarded to any eligible public agency or private organization to establish or to operate a literacy program or project including the use of full-time or part-time volunteers. The grants would be awarded on a competitive basis. The federal share of a project administered by a nonprofit community-based organization shall not exceed 90 percent of the total cost in the first year. By the third year the federal share must decline to 70 percent of the total cost. Any other nonprofit organization, public agency, or private, for-profit organization receiving federal funds must contribute a minimum of 20 percent in the first year. By the third year, the non-Federal share for such grantees increases to 40 percent of the total project cost.

8. Estimated comparison: None.

9. Previous CBO estimate: None.

10. Estimate prepared by: Diane Celuch.

11. Estimate approved by: C.G. Nuckols, for James L. Blum, Assistant Director for Budget Analysis.

Committee Estimate

With reference to the statement required by clause 7(a)(1) of rule XIII of the Rules of the House of Representatives, the Committee accepts the estimate prepared by the Congressional Budget Office.

Inflationary Impact Statement

Pursuant to clause 21(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that the enactment of H.R. 751 will have no inflationary impact on prices and costs in the operation of the national economy. It is the judgment of the Committee that the inflationary impact of this legislation as a component of the Federal budget is negligible.

Oversight Findings of the Committee

With reference to clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee's oversight findings are set forth in the Background and Need for the Legislation section of this report. No additional oversight findings are applicable at this time.

Oversight Findings and Recommendations of the Committee on Government Operations

In compliance with clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, no findings or recommendations by the Committee on Government Operations were submitted to the Committee with reference to the subject matter specifically addressed in H.R. 751.

SECTION BY SECTION ANALYSIS OF H.R. 751 NATIONAL LITERACY ACT OF 1991

Section 1 provides that this legislation may be cited as "National Literacy Act of 1991."

Section 2 describes the findings and the demonstrates need for literacy services.

Section 3 provides definition of literacy.

TITLE I—LITERACY: STRATEGIC PLANNING, RESEARCH AND COORDINATION

Section 101 provides that the Assistant Secretary for Vocational and Adult Education shall be responsible for the coordination of all literacy related programs and policy initiatives in the Department of Education.

Section 102 amends section 384 of the Adult Education Act to establish a National Institute for Literacy to conduct research, collect and disseminate materials, and expand the system for the delivery of services in the field of literacy. Authorizes $15 million for fiscal years 1992, 1993, 1994, 1995.

Section 103 amends Part B of the Adult Education Act to establish State Literacy Resource Centers to assist state and local public and private nonprofit agencies to eliminate illiteracy. Authorizes $25 million for fiscal years 1992 and 1993 and "such sums" for fiscal years 1994 and 1995.

TITLE II—WORKFORCE LITERACY

Section 201 establishes in the Department of Labor a National Workforce Literacy Collaborative to assist small- and medium-sized businesses, business associations that represent small- and medium-sized businesses, and labor organizations to develop and implement literacy programs tailored to the needs of the workforce. Authorizes $5 million for each of fiscal years 1992, 1993, 1994, 1995.

Section 202 amends section 371 of the Adult Education Act to authorize the Secretary of Education to establish a program of grants to facilitate the design and implementation of national strategies to address literacy in the workforce. Authorizes $5 million once the appropriations level reaches $25 million. Section 202 also authorizes $60 million for section 371 of the Adult Education Act and requires that funds be distributed in proportion to the basic Adult Education Act.

TITLE III—INVESTMENT IN LITERACY

Section 301 amends section 313 of the Adult Education Act to authorize funding for an additional five years at "such sums" for fiscal year 1991, $260 million for fiscal year 1992 and "such sums" for fiscal years 1993, 1994, 1995 and modifies the uses of funds and state administration. Also amends the Adult Education Act to require states to establish a State Advisory Council on Adult Education and Literacy, to require states to develop indicators of program quality, to require states to evaluate at least 80 percent of the projects during the life of the reauthorization.

Section 302 amends section 1531(b) of the Elementary and Secondary Education Act to provide training programs to enhance the ability of teachers to students with reading and reading-related problems.

Section 303 amends section 1052 of the Elementary and Secondary Education Act to rename the Even Start program the Even Start Family Literacy Program, to establish a minimum grant size of $75,000, reserves funds for migrant families and U.S. territories, provides that a family is eligible for assistance until both the child and adult are ineligible. Authorizes $60 million for fiscal year 1992 and "such sums" for fiscal year 1993.

Section 304 authorizes the Secretary to enter into a contract with the Corporation for Public Broadcasting to arrange for the production and dissemination of family literacy programming. Authorizes $2 million for fiscal year 1992.

TITLE IV—BUSINESS LEADERSHIP FOR EMPLOYMENT SKILLS

Section 401 amends part C of the Adult Education Act to authorize the Secretary to take grants to establish adult education programs which increase the literacy skills of commercial drivers.

TITLE V—BOOKS FOR FAMILIES

Section 501 amends section 1563(b) of the Elementary and Secondary Education Act to give priority for the award of grants under the Reading is Fundamental program to projects serving children with special needs.

Section 502 amends section 601 of the Library Services and Construction Act to target services to areas of greatest need.

TITLE VI—LITERACY FOR INCARCERATED INDIVIDUALS

Section 801 amends section 321 of the Elementary and Secondary Education Act to provide literacy services to incarcerated adults.

Section 802 amends section 1566 of the Elementary and Secondary Education Act to require the Secretary to annually make one or more awards under the Blue Ribbon Awards program effective and innovative programs for inmate education and literacy.

TITLE VII—VOLUNTEERS FOR LITERACY

Section 701 amends Part C of Title I of the Domestic Volunteer Services Act to authorize the Director to award challenge grants to eligible agencies to conduct employee literacy programs. Authorizes $2.5 million for fiscal year 1992 and "such sums" for fiscal year 1993.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 202 OF THE DEPARTMENT OF EDUCATION ORGANIZATION ACT

PRINCIPAL OFFICERS

SEC. 202. (a) * * *

* * * * * * * *

(h) The Assistant Secretary for Vocational and Adult Education, in addition to performing such functions as the Secretary may prescribe, shall have responsibility for coordination of all literacy related programs and policy initiatives in the Department. The Assistant Secretary for Vocational and Adult Education shall assist in coordinating the related activities and programs of other Federal departments and agencies.

ADULT EDUCATION ACT

TITLE III—ADULT EDUCATION PROGRAMS

SEC. 301. SHORT TITLE.

This title may be cited as the "Adult Education Act".

PART A—BASIC PROGRAM PROVISIONS

* * * * * * * *

SEC. 313. AUTHORIZATION OF APPROPRIATIONS; ALLOTMENTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated [$200,000,000 for fiscal year 1989 and such sums as may be necessary for each succeeding fiscal year through fiscal year 1993] *such sums as may be necessary for the fiscal year 1991, $260,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993, 1994, and 1995* to carry out the provisions of this title (other than sections 371 and 372).

* * * * * * * *

PART B—STATE PROGRAMS

Subpart 1—Basic State Grants

* * * * * * * *

SEC. 322. USE OF FUNDS; LOCAL APPLICATIONS.

(a) USE OF FUNDS.—

[(1) Grants to States under this subpart shall be used in accordance with State plans (and amendments thereto) approved under sections 341 and 351, to pay the Federal share of the cost of the establishment or expansion of adult education programs to be carried out by local educational agencies and by public and private nonprofit agencies, organizations, and institutions. Grants provided under this section to States to carry out the programs described in the preceding sentence may be carried out by public or private nonprofit agencies, organizations, and institutions only if the applicable local educational agency has been consulted with and has had an opportunity to comment on the application of such agency, organization, or in-

stitution. The comments of the local educational agency, and responses thereto, shall be attached to the application when it is forwarded to the State.]

(1) Grants to States under this subpart shall be used in accordance with State plans (and amendments thereto) approved under sections 341 and 351, to pay the Federal share of the cost of the establishment or expansion of adult education programs to be carried out by local educational agencies, correctional education agencies, community-based organizations, public or private nonprofit agencies, postsecondary educational institutions, and other institutions that have the ability to provide literacy services to adults and families. Each State educational agency receiving financial assistance under this subpart shall provide assurance that local educational agencies, public or private nonprofit agencies, community-based organizations, agencies responsible for corrections education, postsecondary educational institutions, and institutions which serve educationally disadvantaged adults will be provided direct and equitable access to all Federal funds provided under this subpart. Failure to provide the assurance required by the preceding sentence shall disqualify a State from receiving its allotment under this title. In determining which programs shall receive assistance under this paragraph, the State shall consider—

(A) the past effectiveness of applicants in providing services (especially with respect to recruitment and retention of educationally disadvantaged adults and the learning gains demonstrated by such adults);

(B) the degree to which the applicant will coordinate and utilize other literacy and social services and available in the community; and

(C) the commitment of the applicant to serve individuals in the community that are most in need of literacy services.

* * * * * * *

(3)(A) Grants to States provided under this section shall also be used for competitive 2-year grants to public housing authorities for literacy programs and related activities. Any public housing authority that receives a grant under this subparagraph shall consult with local adult education providers in conducting programs and activities with assistance provided under the grant. Any grant provided under this subparagraph shall be referred to as a "Gateway Grant".

(B) The Secretary shall, not less often than every 2 years, evaluate any grants made under this paragraph and report the results of such evaluation to the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

[(3) The State educational agency shall not approve any application unless evidence that any consultation required by paragraph (1) has taken place is provided.] *(4)* Such application shall contain such information as the State educational agency considers necessary, including a description of current programs, activities, and services receiving assistance from Federal, State, and local sources; *the projected goals of the ap-*

plicant with respect to participant recruitment, retention, and educational achievement and how the applicant will measure and report progress in meeting its goals; cooperative arrangements (including arrangements with business, industry, and volunteer literacy organizations as appropriate) that have been made to deliver services to adults as well as assurances that adult educational programs, services, or activities provided under this title are coordinated with and not duplicative of services, programs, or activities made available to adults under other Federal, State, and local programs, including the Job Training Partnership Act, [the Carl D. Perkins Vocational Education Act] *the Carl D. Perkins Vocational and Applied Technology Education Act,* the Rehabilitation Act of 1973, [the Education of the Handicapped Act] *the Individuals with Disabilities Education Act,* the Indian Education Act, the Higher Education Act of 1965, and the Domestic Volunteer Service Act.

[(4)(A)] *(5)* The State educational agency shall give preference to those applicants who have demonstrated or can demonstrate a capability to recruit and serve educationally disadvantaged adults[.

[(B) The provisions of subparagraph (A) shall apply in any fiscal year in which the amount appropriated for basic State grants under this subpart exceeds the amounts available for such grants in fiscal year 1988.], *particularly in areas with a high proportion of adults who do not have a certificate of graduation from a school providing secondary education or its equivalent.*

* * * * * * *

SEC. 324. MANDATORY LITERACY PROGRAM.

(a) INITIAL REQUIREMENT.—Before the expiration of the 2-year period beginning on the date of the enactment of the National Literacy Act of 1991, each State correctional system shall have in effect a mandatory functional literacy program in at least 1 major correctional facility.

(b) SUBSEQUENT REQUIREMENT.—Before the expiration of the 5-year period beginning on the date of the enactment of the National Literacy Act of 1991, each State correctional system and each local jail or detention center with a population of more than 150 inmates shall have in effect a mandatory functional literacy program where funds are available to operate such a program.

(c) PROGRAM REQUIREMENTS.—Each mandatory functional literacy program required by subsections (a) and (b) shall include—

(1) a requirement that each individual incarcerated in such system, jail, or detention center who is not functionally literate shall participate in such program until such individual—

(A) achieves functional literacy;

(B) is granted parole;

(C) completes his or her sentence; or

(D) is released pursuant to a court order;

(2) a prohibition on granting parole to any individual described in paragraph (1) who refuses to participate in such program;

(3) adequate opportunities for appropriate educational services and testing all inmates for functional literacy upon reception; and

(4) an inmate participation incentive program which may include—

(A) better housing opportunities;

(B) monetary incentives for achievement; and

(C) positive reports from the education department to the parole authorities for inmates who participate and progress in the literacy program.

(d) FUNCTIONAL LITERACY.—For purposes of this section, the term "functional literacy" means—

(1) an eighth grade equivalence in reading on a nationally recognized standardized test;

(2) functional competency or literacy on a nationally recognized criterion-referenced test; or

(3) both.

(3) EXCEPTED INDIVIDUALS.—Any individual who is serving a life sentence without parole, is terminally ill, or is under a sentence of death shall not be required to participate in a mandatory functional literacy program.

(f) EARLY RELEASE WAIVER.—Subsection (c)(2) shall not apply in any case in which a court order requires early release of an individual due to a constitutional consideration.

(g) ANNUAL REPORT.—Each State correctional education agency shall submit a report annually to the Secretary with respect to its program under this section. Such report shall include—

(1) the number of individuals tested for eligibility;

(2) the number of individuals eligible for the program;

(3) the number of individuals participating in the program;

(4) the numbers of hours of instruction per week;

(5) sample data on achievement of students; and

(6) data on the costs of the program.

(h) EDUCATIONAL RECOMMENDATIONS.—Parole agencies are encouraged to make educational recommendations for those being released who do not have a marketable job skill or a high school diploma.

(i) NON-MANDATORY PROGRAMS.—Jails and detention centers with a population of 150 inmates or less are encouraged to develop mandatory functional literacy programs as described in subsection (c).

Subpart 3—State Administrative Responsibilities

SEC. 331. STATE ADMINISTRATION.

(a) STATE AGENCY RESPONSIBILITIES.—Any State desiring to participate in the programs authorized by this title shall designate the State educational agency to be the sole State agency responsible for the administration and supervision of such programs. The responsibilities of the State agency shall include—

(1) * * *

(2) within 2 years of the enactment of the National Literacy Act of 1991, the development and implementation, in consultation with a widely representative group of appropriate experts, educators, and administrators, of indicators of program quality

to be used to evaluate programs assisted under this title, as required by section 352, to determine whether such programs are effective, including whether such programs are successfully recruiting, retaining, and improving the literacy skills of the individuals served in such programs;

[(2)]*(3)* consultation with the State advisory council established pursuant to section 332, and other appropriate agencies, groups, and individuals involved in the planning, administration, evaluation, and coordination of programs funded under this title; and

[(3)]*(4)* the assignment of such personnel as may be necessary for State administration of programs under this title.

* * * * * * *

[SEC. 332. STATE ADVISORY COUNCIL ON ADULT EDUCATION.]

SEC. 332. STATE ADVISORY COUNCIL ON ADULT EDUCATON AND LITERACY.

(a) REQUIREMENT.—(1) Any State may designate a body, or establish a new body if there is no suitable existing body, to act as a State advisory council on [adult education, appointed by the Governor] *adult education and literacy, appointed by, and responsible to, the Governor.* The membership of the State advisory council shall be broadly representative of citizens and groups within the State having an interest in adult education] *and literacy,* and shall [consist of representatives of public education, private and public sector employment; recognized State labor organizations; private, voluntary, or community literacy organizations; libraries; and State economic development agencies.] *consist of—*

(i) representatives of public education;

(ii) representatives of public and private sector employment;

(iii) representatives of recognized State labor organizations;

(iv) representatives of private literacy organizations, voluntary literacy organizations, and community-based literacy organizations;

(v) the chief administrative officer of a State, or the designee of such officer;

(vi) representatives of—

(I) the State educational agency;

(II) the State job training agency;

(III) the State human services agency;

(IV) the State public assistance agency;

(V) the State library program; and

(VI) the State economic development agency;

(vii) officers of the State government whose agencies provide funding for literacy services or who may be designated by the Governor or the Chairperson of the council to serve whenever matters within the jurisdiction of the agency headed by such an officer are to be considered by the council; and

(viii) classroom teachers who have demonstrated outstanding results in teaching children or adults to read.

* * * * * * *

[(d) PROCEDURES.—Members of the State advisory council shall, using procedures agreed upon, elect their own chairperson. The State advisory council shall determine its own procedures, staffing

needs (subject to funding levels authorized by the Governor), and the number, time, place, and conduct of meetings, except that it shall hold at least 1 public meeting each year at which the general public is given an opportunity to express views concerning adult education programs in the State. In approving the plan for the evaluations under subsection (f)(3)(A), the council shall ensure that persons knowledgeable of the daily operation of adult education programs are involved.]

(d) PROCEDURES.—(1) Subject to paragraphs (2) and (3), the State advisory council shall determine its own procedures, staffing needs (subject to funding levels authorized by the chief executive officer of the State), and the number, time, place, and conduct of meetings.

(2) The State advisory council shall meet at least 4 times each year. At least 1 such meeting shall provide an opportunity for the general public to express views concerning adult education in the State.

(3) One number more than ½ of the members on the council shall constitute a quorum for the purpose of transmitting recommendations and proposals to the chief executive officer of the State, but a lesser number of members may constitute a quorum for other purposes.

* * * * * * *

(f) DUTIES.—Each State advisory council shall—

[(1) meet with the State agency or its representatives during the planning year to advise on the development of the State plan;

[(2) advise the State agency concerning—

[(A) policies the State should pursue to strengthen adult education; and

[(B) initiatives and methods the private sector could undertake to assist the State's improvement of adult education programs; and]

(1) meet with the State agencies responsible for literacy training during the planning year to advise on the development of a State plan for literacy and for adult education that fulfills the literacy and adult education needs of the State, especially with respect to the needs of the labor market, economic development goals, and the needs of the individuals in the State;

(2) advise the Governor, the State educational agency, and other State agencies concerning—

(A) the development and implementation of measurable State literacy and adult education goals consistent with section 342(c)(2), especially with respect to—

(i) improving levels of literacy in the State by ensuring that all appropriate State agencies have specific objectives and strategies for such goals in a comprehensive approach;

(ii) improving literacy programs in the State; and

(iii) fulfilling the long-term literacy goals of the State;

(B) the coordination and monitoring of State literacy training programs in order to progress toward the long-term literacy goals of the State;

(C) the improvement of the quality of literacy programs in the State by supporting the integration of services, staff training, and technology-based learning and the integration of resources of literacy programs conducted by various agencies of State government; and

(D) private sector initiatives that would improve adult education programs and literacy programs, especially through public-private partnerships;

(3) review and comment on the plan submitted pursuant to section 356(h) and submit such comments to the Secretary;

(4) measure progress on meeting the goals and objectives established pursuant to paragraph (2)(A);

(5) recommend model systems for implementing and coordinating State literacy programs for replication at the local level; and

(6) develop reporting requirements, standards for outcomes, performance measures, and program effectiveness in State programs, that are consistent with those proposed by the Interagency Task Force on Literacy; and

[(3)**]** *(7)*(A) approve the plan for evaluations required in section 352 and participate in the implementation and dissemination of such evaluations, (B) advise the Governor, the State legislature, and the general public of the State of the findings of such evaluations, and (C) include in any report of such evaluations its comments and recommendations.

Subpart 4—Planning and Applications

* * * * * * *

SEC. 342. FOUR-YEAR STATE PLAN.

(a) * * *

* * * * * * *

(c) COMPONENTS OF STATE PLAN.—Consistent with the assessments described in subsection (b) each such plan shall—

[(1) set forth the goals, the methods and strategies, and the expected outcomes of programs, services, and activities during the 4-year period;**]**

(1) describe and provide for the fulfillment of the literacy needs of individuals in the State;

(2) set forth measurable goals for improving literacy levels, retention in literacy programs, and long-term learning gains of individuals in the State and describe a comprehensive approach for achieving such goals, including the development of indicators of program quality as required by section 331(a)(2);

[(2)**]** *(3)* describe the curriculum, equipment, and instruments that are being used by instruction personnel and indicate how current these elements are;

[(3)**]** *(4)* describe the means by which the delivery of adult education services will be significantly expanded (including efforts to reach typically underserved groups such as educationally disadvantaged adults, individuals with limited English proficiency and individuals with handicaps) through **[**the use of**]** *coordination by* agencies, institutions, and organizations

[other than] *including* the public school system, [such as] businesses, labor unions, libraries, institutions of higher education, public health authorities, employment or training programs, antipoverty programs, organizations providing assistance to the homeless, and community and voluntary organizations;

[(4)] *(5)* describe the means by which representatives of the public and private sector are involved in the development and implementation of the plan, especially in the expansion of the delivery of adult education services by cooperation and collaboration with those public and private agencies, institutions, and organizations;

[(5)] *(6)* describe specialized efforts to attract and assist meaningful participation in adult education programs through flexible course schedules, provision of auxiliary aids and services, convenient locations, adequate transportation, and meeting child care needs;

[(6)] *(7)* provide for the needs of persons with limited English proficiency (as defined in section 7004(a) of title VII of the Elementary and Secondary Education Act of 1965 or no English proficiency by providing adequate appropriate language assistance to the extent necessary to all such persons so they may progress effectively through adult education programs;

[(7)] *(8)* describe how the particular educational needs of adult immigrants, the incarcerated, persons with handicaps, the chronically unemployed, the homeless, the disadvantaged, and minorities will be addressed;

[(8)] *(9)* describe the progress the State has made is achieving the goals set forth in each State plan subsequent to the initial State plan;

[(9) describe the progress it expects to make toward achieving the purpose of this title during the 4-year period of the State plan;]

* * * * * * *

(12) describe the steps taken to utilize volunteers, particularly volunteers assigned to the Literacy Corps established under the Domestic Volunteer Service Act and volunteers trained in programs carried out by section 382 of this title, but only to the extent that such volunteers supplement and do not supplant salaried employees; [and]

(13) describe the measures to be taken to ensure that adult education programs, services, and activities assisted under this title will take into account the findings or program reviews and evaluations carried out pursuant to section 352[:];

(14) report the amount of administrative funds spent on program improvements; and

(15) contain assurances that financial assistance provided pursuant to this title shall be used to assist and expand existing programs and to develop new programs for adults whose lack of basic skills—

(A) renders them unemployable;

(B) keeps them, whether employed or unemployed, from functioning independently in society; and

(C) severely reduces their ability to have a positive effect on the literacy of their children.

* * * * * * *

SEC. 352. EVALUATION.

In order to assist grant recipients receiving funds under this title to plan and operate the best possible programs of adult education, each State agency during the 4-year period of the State plan shall—

(1) annually submit [data to the Secretary] *to the Secretary and make public within the State data* with respect to grant recipients, *including—*

(A) the number and percentage of local educational agencies, community-based organizations, volunteer groups, and other organizations that are grant recipients; and

(B) results of the evaluations carried out as required by paragraph (2) in the year preceding the year for which the data is submitted;

(2) [before the end of such period evaluate at least one-third of grant recipients (which are representative of all grant recipients in the State) and such evaluations shall consider] *evaluate 20 percent of the grant recipients each year so that at the end of such period 80 percent of all grant recipients shall have been evaluated once and such evaluations shall consider, at a minimum—*

(A) the projected goals of the grant recipient as described in its application pursuant to section 322(a)(3);

[(A)] *(B)* the planning and content of the program;

[(B)] *(C)* the curriculum, instructional material, equipment, and qualifications of all personnel;

(D) the success of the grant recipients in meeting the State's indicators of program quality after such indicators are developed as required by section 331(a)(2); and

[(D)] *(E)* other factors determined to affect program operation; [and]

* * * * * * *

Subpart 6—Demonstration Projects

SEC. 353. SPECIAL EXPERIMENTAL, DEMONSTRATION PROJECTS AND TEACHER TRAINING.

(a) USE OF FUNDS.—Of the funds allotted to a State under section 313 for a fiscal year, not less than [10] *15* percent shall be used for—

(1) special projects which will be carried out in furtherance of the purposes of this title, which will be coordinated with other programs funded under this title and which—

(A) involve the use of innovative methods (including methods for educating persons with handicaps, the homeless, and persons of limited English proficiency), systems, materials, or programs which may have national significance or will be of special value in promoting effective programs under this title, or

(B) involve programs of adult education, including education for persons with handicaps, the homeless, and persons of limited English proficiency, which are part of community school programs, carried out in cooperation with other Federal, State, or local programs which have unusual promise in promoting a comprehensive or coordinated approach to the problems of persons with educational deficiencies; [and]

(2) training persons engaged, or preparing to engage, as personnel in programs designed to carry out the purposes of this title[.]; *and*

(3) training professional teachers, volunteers, and administrators, with particular emphasis on—

(A) training—

(i) full-time professional adult educators;

(ii) minority adult educators;

(iii) educators of adults with limited English proficiency; and

(B) training teachers to recognize and more effectively serve illiterate individuals with learning disabilities and individuals who have a reading ability below the fifth grade level.

[(b) APPLICATIONS.—Applications for funds under subsection (a) shall include such information as the State educational agency considers appropriate, including plans for continuing the activities and services under the project after the completion of the funding.]

(b) SPECIAL RULE.—At least ⅔ of the 15 percent reserved pursuant to subsection (a) shall be used to carry out the provisions of paragraphs (2) and (3) of subsection (a).

Subpart 7—State Literacy Resource Centers

SEC. 356. STATE LITERACY RESOURCE CENTERS.

(a) PURPOSE.—It is the purpose of this section to assist State and local public and private nonprofit efforts to eliminate illiteracy through a program of State literacy resource center grants to—

(1) stimulate the coordination of literacy services,

(2) enhance the capacity of State and local organizations to provide literacy services, and

(3) serve as a reciprocal link between the National Institute for Literacy and service providers for the purpose of sharing information, data, research, and expertise and literacy resources.

(b) ESTABLISHMENT.—From amounts appropriated pursuant to subsection (k), the Secretary is authorized to make grants for purposes of establishing a network of State or regional adult literacy resource centers.

(c) ALLOTMENT.—(1) From sums available for purposes of making grants under this section for any fiscal year, the Secretary shall allot to each State having an approved application under subsection (h) an amount that bears the same ratio to such sums as the amount allotted to such State under section 313(b) for the purpose of making grants under section 321 bears to the aggregate amount allotted to all States under such section for such purpose.

(2) The chief executive officer of each State that receives its allotment under this section shall contract on a competitive basis with the State educational agency, 1 or more local educational agencies, a State office on literacy, a volunteer organization, a communty-based organization, institution of higher education, or other nonprofit entity to operate a State literacy resource center. No applicant participating in a competition pursuant to the preceding sentence shall participate in the review of its own application.

(d) USE OF FUNDS.—Funds provided to each State under subsection (c)(1) to carry out this section shall be used to conduct activities to—

(1) improve and promote the diffusion and adoption of state-of-the-art teaching methods, technologies and program evaluations;

(2) develop innovative approaches to the coordination of literacy services within and among States and with the Federal Government;

(3) assist public and private agencies in coordinating the delivery of literacy services;

(4) encourage government and industry partnerships, including partnerships with small businesses, private nonprofit organizations, and community-based organizations;

(5) encourage innovation and experimentation in literacy activities that will enhance the delivery of literacy services and address emerging problems;

(6) provide technical and policy assistance to State and local governments and service providers to improve literacy policy and programs and access to such programs;

(7) provide training and technical assistance to literacy instructors in reading instruction and in—

(A) selecting and making the most effective use of state-of-the-art methodologies, instructional materials, and technologies such as—

(i) computer assisted instruction;

(ii) video tapes;

(iii) interactive systems; and

(iv) data link systems; or

(B) assessing learning style, screening for learning disabilities, and providing individualized remedial reading instruction; or

(8) encourage and facilitate the training of full-time professional adult educators.

(e) ALTERNATIVE USES OF EQUIPMENT.—Equipment purchases pursuant to this section, when not being used to carry out the provisions of this section, may be used for other instructional purposes if—

(1) the acquisition of the equipment was reasonable and necessary for the purpose of conducting a properly designed project or activity under this section;

(2) the equipment is used after regular program hours or on weekends; and

(3) such other use is—

(A) incidental to the use of the equipment under this section;

(B) does not interfere with the use of the equipment under this section; and

(C) does not add to the cost of using the equipment under this section.

(f) LIMITATION.—Not more than 10 percent of amounts received under any grant received under this section shall be used to purchase computer hardware or software.

(g) SPECIAL RULE.—Each State receiving funds pursuant to this section may not use more than 5 percent of such funds to establish a State advisory council on adult education and literacy (in this section referred to as the "State council") pursuant to section 332.

(2) Each State receiving funds pursuant to this section may use such funds to support an established State council to the extent that such State council meets the requirements of section 322.

(3) Each State receiving funds pursuant to this paragraph to establish or support a State council pursuant to section 322 shall provide matching funds on a dollar-for-dollar basis.

(h) APPLICATIONS.—Each State or group of States, as appropriate, that desires to receive a grant under this section for a regional adult literacy resource center, a State adult literacy resource center, or both shall submit to the Secretary an application that has been reviewed and commented on by the State council, where appropriate, and that describes how the State or group of States will—

(1) develop a literacy resource center or expand an existing literacy resource center;

(2) provide services and activities with the assistance provided under this section;

(3) assure access to services of the center for the maximum participation of all public and private programs and organizations providing or seeking to provide basic skills instruction, including local educational agencies, agencies responsible for corrections education, service delivery areas under the Job Training Partnership Act, welfare agencies, labor organizations, businesses, volunteer groups, and community-based organizations;

(4) address the measurable goals for improving literacy levels as set forth in the plan submitted pursuant to section 342; and

(5) develop procedures for the coordination of literacy activities for statewide and local literacy efforts conducted by public and private organizations and for enhancing the systems of service delivery.

(i) PAYMENTS; FEDERAL SHARE.—(1) The Secretary shall pay to each State having an application approved pursuant to subsection (h) the Federal share of the cost of the activities described in the application.

(2) The Federal share—

(A) for each of the first 2 fiscal years in which the State receives funds under this section shall not exceed 80 percent;

(B) for each of the third and fourth fiscal years in which the State receives funds under this section shall not exceed 70 percent; and

(C) for the fifth and each succeeding fiscal year in which the State receives funds under this section shall not exceed 60 percent.

(3) The non-Federal share of payments under this section may be in cash or in kind, fairly evaluated, including plant, equipment, or services.

(j) REGIONAL CENTERS.—(1) A group of States may enter into an interstate agreement to develop and operate a regional adult literacy resource center for purposes of receiving assistance under this section if the States determine that a regional approach is more appropriate for their situation.

(2) Any State that receives assistance under this section as part of a regional center shall only be required to provide under subsection (i) 50 percent of the funds such State would otherwise be required to provide under such subsection.

(3) In any fiscal year in which the amount a State will receive under this section is less than $100,000, the Secretary may designate the State to receive assistance under this section only as part of a regional center.

(4) The provisions of paragraph (3) shall not apply to any State that can demonstrate to the Secretary that the total amount of Federal, State, local and private funds expended to carry out the purposes of this section would equal or exceed $100,000.

(5) In any fiscal year in which paragraph (2) applies, the Secretary may allow certain States that receive assistance as part of a regional center to reserve a portion of such assistance for a State adult literacy resource center pursuant to this section.

(k) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out the provisions of this section $25,000,000 for each of the fiscal years 1992 and 1993, and such sums as may be necessary for each of the fiscal years 1994 and 1995.

Subpart [7] *8*—Federal Share; Federal Administrative Responsibilities

SEC. 361. PAYMENTS.

(1) * * *

* * * * * * *

(c) FEDERAL RESPONSIBILITY.—Within 1 year after the enactment of the National Literacy Act of 1991, the Secretary, in consultation with appropriate experts, educators, and administrators, shall develop indicators of program quality that may be used by State and local programs receiving assistance under this title as models by which to judge the success of such programs, including success in recruitment and retention of students and improvement in the literacy skills of students. Such indicators shall take into account different conditions under which programs operate and shall be modified as better means of assessing program quality are developed.

PART C—WORKPLACE LITERACY AND ENGLISH LITERACY GRANTS

SEC. 371. BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY.

(a) GRANTS FOR EXEMPLARY DEMONSTRATION PARTNERSHIPS FOR WORKPLACE LITERACY.—(1) Subject to subsection (b), the Secretary, *in consultation with the Secretary of Labor and the Administrator*

of the Small Business Administration, shall make demonstration grants to exemplary education partnerships for workplace literacy to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

(A) business, industry, labor organizations, or private industry councils; and

(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

(2) Grants under paragraph (1) may be used—

(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (3); and

(B) for administrative costs incurred by State educational agencies [and], local educational agencies *and other entities described in paragraph (1) that receive grants under this subsection* in establishing programs funded under subparagraph (A).

* * * * * * *

(5) In awarding grants under this section, the Secretary shall give priority to applications from partnerships that include small businesses.

(6) The Secretary is authorized to award grants under this section for a period not to exceed 3 years.

(b) GRANTS TO STATES.—(1) Whenever in any fiscal year, appropriations under [subsection (c)] *subsection (e)* are equal to or exceed $50,000,000, the Secretary shall make grants to States which have State plans approved by the Secretary under section 342 to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

(A) business, industry, or labor organizations, or private industry councils; and

(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

(2) Grants under paragraph (1) may be used—

(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (4);

(B) for administrative costs incurred by State educational agencies [and], local educational agency *and other entities described in paragraph (1) that receive grants under this subsection* in establishing programs funded under subparagraph (A); and

* * * * * * * *

(7)(A) The Federal share of expenditures for programs in a State funded under this subsection shall be paid from a State's allotment under this paragraph.

[(B) From the sum appropriated for each fiscal year under subsection (c) for any fiscal year in which appropriations equal or exceed $50,000,000, the Secretary shall allot—

[(i) $25,000 to each of American Samoa, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands; and

[(ii) to each remaining State an amount which bears the same ratio to the remainder of such sum as—

[(I) the number of adults in the State who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently required to be enrolled in schools in the State, bears to

[(II) the number of such adults in all States;

except that no State shall receive less than $125,000 in any fiscal year.]

(B) From the sum appropriated for each fiscal year under subsection (c) for any fiscal year in which appropriations equal or exceed $50,000,000, the Secretary shall allot to each State (as defined in section 312(7)) an amount proportionate to the amount such State receives under section 313.

* * * * * * *

(c) GRANT FOR NATIONAL WORKFORCE LITERACY STRATEGIES.—(1) In any fiscal year in which amounts appropriated pursuant to the authorization contained in subsection (e) equal or exceed $25,000,000, the Secretary shall reserve not more than $5,000,000 to establish a program of grants to facilitate the design and implementation of national strategies to assist unions, in collaboration with programs eligible for assistance under this Act and businesses, and small- and medium-sized businesses to effectively provide literacy and basic skills training to workers.

(2) Grants awarded under this subsection shall pay the Federal share of the cost of programs to establish large-scale national strategies in workforce literacy, which may include the following activities:

(A) Basic skills training that is—

(i) cost-effective;

(ii) needed by employees; and

(iii) required by employers to establish a trainable workforce that can take advantage of further job specific training and advance the productivity of the labor force on an individual, industry, or national level.

(B) Specific program offerings, which may include—

(i) English as a second language instruction;

(ii) communications skill building;

(iii) interpersonal skill building;

(iv) reading and writing skill building; and

(v) computation and problem solving.

(C) Appropriate assessments of the literacy and basic skills needs of individual workers and the skill levels required by business.

(D) Cooperative arrangements with other organizations involved in providing literacy and basic skills, training, including adult education organizations, vocational education organizations, community and junior colleges, community-based organizations, State level agencies, and private industry councils.

(E) The establishment as appropriate of technology-based learning environments, such as computer-based learning centers.

(3) Any partnership described in subsection (a)(1) that desires to receive a grant under this subsection shall submit a proposal to the Secretary. The proposal shall contain a plan specifying a strategy for designing and implementing workforce literacy and basic skills training for workers, and justifying the national, statewide, or industry-wide importance of this strategy. The proposal shall include—

(A) a demonstration of need for literacy and basic skills training;

(B) a description of the business or industry for which the strategy is to be established;

(C) a statement of specific, measurable goals and participant outcomes;

(D) a strategy for achieving the goals, including, a description of the process to indentify literacy and basic skills required by employers and the skills of individual workers, and a description of the specific services to be provided; and

(E) a description of the costs of the activities to be undertaken.

(4) The Secretary shall develop a formal process for the submission of proposals and publish an announcement in the Federal Register with respect to that process and the availability of grants under this subsection.

(5) The Federal share of the cost of a program assisted under this subsection shall not exceed 70 percent.

(6) The Secretary shall give priority for grants under this subsection to proposals to carry out activities described in paragraph (2)(D).

(7) In awarding grants under this subsection, the Secretary may consider geographic factors, such as rural and urban areas and national distribution.

(8) Of the grants awarded under this subsection each year, not less than 5 shall each be for an amount that is not less than $500,000.

(d) EVALUATION.—The Secretary shall reserve not more than 2 percent of any amount appropriated pursuant to the authorization contained in subsection (e) for the purpose of carrying out an independent evaluation of the effectiveness of programs assisted under this section in improving the literacy and basic skills of workers and the productivity of employees, including potential for the replicability or adaption of such programs.

[(c)] *(e)* Authorization of Appropriations.—[(1) There are authorized to be appropriated $30,000,000 for the fiscal year 1988, $31,500,000 for the fiscal year 1989, and such sums as may be necessary for the fiscal year 1990 and each succeeding fiscal year ending prior to October 1, 1993, to carry out the provisions of this section.] *(1) There are authorized to be appropriated for purposes of carrying out this section such sums as may be necessary for the fiscal year 1991, $60,000,000 for the fiscal year 1992, and such sums as may be necessary for each of the fiscal years 1993, 1994, and 1995.*

(2) No funds may be appropriated under paragraph (1) of this subsection for any fiscal year unless the appropriation for this Act

(other than this part) for that year is equal to or greater than $110,000,000.

(3) Amounts appropriated under this subsection shall remain available until expended.

SEC. 373. EDUCATION PROGRAMS FOR COMMERCIAL DRIVERS.

(a) PROGRAM AUTHORIZED.—The Secretary is authorized to make grants on a competitive basis to pay the Federal share of the costs of establishing and operating adult education programs which increase the literacy skills of eligible commercial drivers so that such drivers may successfully complete the knowledge test requirements under the Commercial Motor Vehicle Safety Act of 1986.

(b) FEDERAL SHARE.—The Federal share of the costs of the adult education programs authorized under subsection (a) shall be 50 percent. Nothing in this subsection shall be construed to require States to meet the non-Federal share from State funds.

(c) ELIGIBLE ENTITIES.—Entities eligible to receive a grant under this section include—

(1) private employers employing commercial drivers in partnership with agencies, colleges, or universities described in paragraph (2);

(2) local educational agencies, State educational agencies, colleges, universities, or community colleges;

(3) approved apprentice training programs; and

(4) labor organizations, the memberships of which include commercial drivers.

(d) REFERRAL PROGRAM.—Grantees shall refer to appropriate adult education programs as authorized under this title individuals who are identified as having literacy skill problems other than or beyond those which prevent them from successfully completing the knowledge test requirements under the Commercial Motor Vehicle Safety Act of 1986.

(e) DEFINITIONS.—For purposes of this section:

(1) The term "approved apprentice training programs" has the meaning given such term in the National Apprenticeship Act of 1937.

(2) The term "eligible commercial driver" means a driver licensed prior to the requirements of the Commercial Motor Vehicle Safety Act of 1986.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for purposes of carrying out this section $3,000,000 for each of the fiscal years 1991, 1992, and 1993.

PART D—NATIONAL PROGRAMS

* * * * * * *

SEC. 384. NATIONAL RESEARCH ACTIVITIES.

(a) APPROVED ACTIVITIES.—The Secretary shall, through the Office of Educational Research and Improvement, support applied research, development, demonstration, dissemination, evaluation, and related activities which will contribute to the improvement and expansion of adult education in the Nation. Such activities shall include *operation of the Institute established by subsection (c) and* the establishment of a national clearinghouse to compile infor-

mation on literacy curriculum and resources for adults, including youth and adults of limited English proficiency and adults with handicaps. The Secretary may support such activities directly, or through grants to, or cooperative agreements with, public or private institutions, agencies, or organizations, or individuals.

* * * * * * *

(c) ESTABLISHMENT.—(1) There is established the National Institute for Literacy (in this section referred to as the "Institute"). The Institute shall be administered under the terms of an interagency agreement entered into by the Secretary with the Secretary of Labor and the Secretary of Health and Human Services (in this section referred to as the "Interagency Group"). The head of any other agency designated by the President may be involved in the operation of the Institute as fits the involvement of such agency in accomplishing the purposes of the Institute. The Secretary may include in the Institute any research and development center supported under section 405(d)(4)(A)(ii) of the General Education Provisions Act and any other center, institute, or clearinghouse established within the Department of Education whose purpose is determined by the Secretary to be related to the purpose of the Institute.

(2) The Institute shall have offices separate from the offices of any agency or department involved in the operation of the Institute.

(3) The Interagency Group shall consider the Board's recommendations in planning the goals of the Institute and in the implementation of any programs to achieve such goals. The daily operations of the Institute shall be carried out by the Director. If the Board's recommendations are not followed, the Interagency Group shall provide a written explanation to the Board concerning actions the Interagency Group has taken that includes the Interagency Group's reasons for not following the Board's recommendations with respect to such actions. The Board may also request a meeting with the Interagency Group to discuss the Board's recommendations.

(d) DUTIES.—(1) The Institute is authorized, in order to improve and expand the system for delivery of literacy services, to—

(A) assist appropriate Federal agencies in setting specific objectives and strategies for meeting the goals of this title and in measuring the progress of such agencies in meeting such goals;

(B) conduct basic and applied research and demonstrations on literacy, including—

(i) how adults learn to read and write and acquire other skills;

(ii) how the literacy skills of parents affect the ability of children to learn literacy skills;

(iii) the assessment of literacy skills and the development of instructional techniques;

(iv) the best methods for assisting adults and families to acquire literacy skills, including the use of technology;

(v) the special literacy needs of individuals with learning disabilities and individuals with limited English proficiency;

(vi) how to effectively reach and teach the most educationally disadvantaged individuals;

(vii) the use of technology and other studies which will increase the literacy knowledge base, use but not duplicate the work of other research services, and build on the efforts of such other research services; and

(viii) how to attract, train, and retrain professional and volunteer teachers of literacy;

(C) assist Federal, State, and local agencies in the development, implementation, and evaluation of policy with respect to literacy by—

(i) establishing a national data base with respect to—

(I) literacy and basic skills programs, including programs in Federal departments, State agencies, and local agencies, and programs that are privately supported through nonprofit entities and for profit entities;

(II) assessment tools and outcome measures;

(III) the amount of quality of basic education provided in the workplace by businesses and industries; and

(IV) progress made toward the national literacy goals; and

(ii) providing technical and policy assistance to government entities for the improvement of policy and programs relating to literacy and the development of model systems for implementing and coordinating Federal literacy programs that can be replicated at the State and local level;

(D) provide program assistance, training, and technical assistance for literacy programs throughout the United States in order to improve the effectiveness of such programs and to increase the number of such programs, which assistance and training shall—

(i) be based on the best available research and knowledge; and

(ii) be coordinated with activities conducted by—

(I) regional educational laboratories supported under section 405(d)(4)(A)(i) of the General Education Provisions Act;

(II) curriculum centers assisted under section 251(a)(8) of the Carl D. Perkins Vocational and Applied Technology Education Act; and

(III) other educational and training entities that provide relevant technical assistance;

(E) collect and disseminate information to Federal, State, and local entities with respect to literacy methods that show great promise (including effective methods of assessment, effective literacy programs, and other information obtained through research or practice relating to adult and family learning that would increase the capacity and quality of literacy programs in the United States), using a variety of methods to ensure that the best information is received by State and local providers of literacy services;

(F) review and make recommendations regarding—

(i) ways to achieve uniformity among reporting requirements;

(ii) the development of performance measures; and

(iii) the development of standards for program effectiveness of literacy-related Federal programs; and

(G) provide a toll-free long-distance telephone line for literacy providers and volunteers.

(2) The Institute may enter into contracts or cooperative agreements with, or make grants to, individuals, public or private nonprofit institutions, agencies, organizations, or consortia of such institutions, agencies, or organizations to carry out the activities of the Institute. Such grants, contracts, or agreements shall be subject to the laws and regulations that generally apply to grants, contracts, or agreements entered into by Federal agencies.

(e) LITERACY LEADERSHIP.—(1) The Institute is, in consultation with the Board, authorized to award fellowships, with such stipends and allowances that the Director considers necessary, to outstanding individuals pursuing careers in adult education or literacy in the areas of instruction, management, research, or innovation.

(2) Fellowships awarded under this subsection shall be used, under the auspices of the Institute, to engage in research, education, training, technical assistance, or other activities to advance the field of adult education or literacy, including the training of volunteer literacy providers at the national, State, or local level.

(3) Individuals receiving fellowships pursuant to this subsection shall be known as "Literacy Leader Fellows".

(f) NATIONAL INSTITUTE BOARD.—(1)(A) There is established the National Institute Board (in this section referred to as the "Board"). The Board shall consist of 10 individuals appointed by the President with the advice and consent of the Senate from individuals who—

(i) are not otherwise officers or employees of the Federal Government;

(ii) are representative of entities or groups described in subparagraph (B); and

(iii) are chosen from recommendations made to the President by individuals who represent such entities or groups.

(B) Entities or groups described in this subparagraph are—

(i) literacy organizations and providers of literacy services, including—

(I) providers of literacy services receiving assistance under this Act; and

(II) nonprofit providers of literacy services;

(ii) businesses that have demonstrated interest in literacy programs;

(iii) literacy students;

(iv) experts in the area of literacy research;

(v) State and local governments; and

(vi) organized labor.

(2) The Board shall—

(A) make recommendations concerning the appointment of the Director and staff of the Institute;

(B) provide independent advice on the operation of the Institute; and

(C) receive reports from the Interagency Group and the Director.

(3) The Interagency Group may carry out the duties of the Board until the expiration of the 180-day period beginning on the date of the enactment of the National Literacy Act of 1991.

(4) Except as otherwise provided, the Board established by this subsection shall be subject to the provisions of the Federal Advisory Committee Act.

(5)(A) Each member of the Board shall be appointed for a term of 3 years. Any such member may be appointed for not more than 2 consecutive terms.

(B) Any member appointed to fill a vacancy occurring before the expiration of the term for which the member's predecessor was appointed shall be appointed only for the remainder of that term. A member may serve after the expiration of that members' term until a successor has taken office. A vacancy in the Board shall be filled in the manner in which the original appointment was made. A vacancy in the Board shall not affect the powers of the Board.

(6) A majority of the members of the Board shall constitute a quorum but a lesser number may hold hearings. Any recommendation may be passed only by a majority of its members present.

(7) The Chairperson and Vice Chairperson of the Board shall be elected by the members. The term of office of the Chairperson and Vice Chairperson shall be 2 years.

(8) The Board shall meet at the call of the Chairperson or a majority of its members.

(g) GIFTS, REQUESTS, AND DEVISES.—The Institute and the Board may accept (but not solicit), use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Institute or the Board, respectively. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Institute or the Board, respectively.,

(h) MAILS.—The Board and the Institute may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(i) STAFF.—The Interagency Group, after considering recommendations made by the Board, shall appoint and fix the pay of a Director.

(j) APPLICABILITY OF CERTAIN CIVIL SERVICE LAWS.—The Director and staff of the Institute may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates, except that an individual so appointed may not receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

(k) EXPERTS AND CONSULTANTS.—The Board and the Institute may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(l) REPORT.—The Institute shall submit a report to the Congress in each of the first 2 years in which it receives assistance under this section, and shall submit a report biennially thereafter. Each report submitted under this subsection shall include—

(1) a comprehensive and detailed description of the Institute's operations, activities, financial condition, and accomplishments in the field of literacy for such fiscal year;

(2) a description of how plans for the operation of the Institute for the succeeding fiscal year will facilitate achievement of the goals of the Institute and the goals of the literacy programs within the Department of Education, the Department of Labor, and the Department of Health and Human Services; and

(3) any additional minority; or dissenting views submitted by members of the Board.

(m) NONDUPLICATION.—The Institute shall not duplicate any functions carried out by the Secretary pursuant to subsection (a) or (b). This subsection shall not be construed to prohibit the Secretary from delegating such functions to the Institute.

(n) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated for purposes of operating the Institute established by subsection (c) $15,000,000 for each of the fiscal years 1992, 1993, 1994, and 1995.

(2) Any amounts appropriated to the Secretary, the Secretary of Labor, the Secretary of Health and Human Services, or any other department that participates in the Institute for purposes that the Institute is authorized to perform under this section may be provided to the Institute for such purposes.

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ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

TITLE I—BASIC PROGRAMS

CHAPTER 1—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN

* * * * * * *

[PART B—EVEN START PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES]

PART B—EVEN START FAMILY LITERACY PROGRAMS

* * * * * * *

SEC. 1052. PROGRAM AUTHORIZATION.

(a) GRANTS BY THE SECRETARY.—In any fiscal year in which the appropriations for this part do not equal or exceed $50,000,000, the Secretary is authorized, in accordance with the provisions of this part which are not inconsistent with the provisions of this subsection, to make grants to [local educational agencies or consortia of such agencies] *eligible entities* to carry out Even Start programs.

(b) STATE GRANT PROGRAM.—*(1)* In any fiscal year in which the appropriations for this part equal or exceed $50,000,000, the Secretary is authorized, in accordance with the provisions of this part, to make grants to States from allocations under section 1053 to enable States to carry out Even Start programs.

(2) In any fiscal year in which this subsection applies, no State shall award a grant under this part for an amount less than $75,000.

(3) In any year in which this subsection applies, each State that receives a grant under this part may use not more than 5 percent of assistance provided under the grant for costs of—

(A) administration; and

(B) the provision, through grant or contract, of technical assistance for program improvement and replication to eligible entities that receive grants under this part.

(c) RESERVATION.—From amounts appropriated for purposes of carrying out this part, the Secretary may reserve an amount equal to not more than 2 percent of such amounts or the amount reserved for such purposes in the fiscal year 1991, whichever is greater, for purposes of—

(1) carrying out the evaluation required by section 1058; and

(2) providing, through grant or contract, technical assistance for programs improvement and replication to eligible entities that receive grantgs under this part.

[(c) DEFINITION.—For the purpose of this part, the term "State" includes each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.]

(d) DEFINITIONS.—For the purpose of this part:

(1) The term "eligible entity" means—

(A) a local educational agency applying in collaboration with a community-based organization, public agency, institution of higher education, or other nonprofit organization; or

(B) a community-based organization, or other nonprofit organization of demonstrated quality applying in collaboration with a local educational agency.

(2) The terms "Indian tribe" and "tribal organization" have the respective meanings given such terms in section 4 of the Indian Self-Determination and Education Assistance Act.

(3) The term "State" includes each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1053. ALLOCATION.

[(a) RESERVATION FOR MIGRANT PROGRAMS.—The Secretary shall first reserve an amount equal to 3 percent of such amount for programs consistent with the purpose of this part for migrant children. Programs for which funds are reserved under this subection shall be conducted through the Office of Migrant Education.]

(a) RESERVATION FOR MIGRANT PROGRAMS AND TERRITORIES.—(1) In each fiscal year in which section 1052(a) applies, the Secretary shall first reserve for programs consistent with the purpose of this part—

(A) for programs for migrant children, which shall be conducted through the Office of Migrant Education, an amount equal to 3 percent of the amount appropriated for purposes of carrying out this part; and

(B) for allocations to Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, and Palau (until the Compact of Free Association with Palau

takes effect pursuant to section 101(a) of Public Laws 99-658), and to Indian tribes and tribal organizations, an amount comparable to their relative need.

(2) In each fiscal year in which section 1052(b) applies, the Secretary shall first reserve for programs consistent with the purpose of this part, an amount equal to 5 percent of the amount appropriated for purposes of carrying out this part, of which—

(A) amounts shall be allocated for programs for migrant children, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Palau (until the Compact of Free Associaition with Palau takes effect pursuant to section 101(a) of Public Law 99-658), and Indian tribes and tribal organizations, according to their relative need, but

(B) in no case shall the amount reserved for programs for migrant children be less than the amount reserved for such programs in the preceding fiscal year.

* * * * * * *

SEC. 1054. USES OF FUNDS.

(a) IN GENERAL.—In carrying out the program under this part, funds made available to [local educational agencies, in collaboration with, where appropriate, institutions of higher education, community-based organizations, the appropriate State educational agency, or other appropriate nonprofit organizations,] *an eligible entity* shall be used to pay the Federal share of the cost of providing family-centered education programs which involve parents and children in a cooperative effort to help parents become full partners in the education of their children and to assist children in reaching their full potential as learners.

(b) PROGRAM ELEMENTS.—Each program assisted under this part shall include—

(1) the identification and recruitment of eligible children;

(2) screening and preparation of parents and children for participation, including testing, referral to necessary counseling, *other developmental and support services,* and related services;

* * * * * * *

(c) FEDERAL SHARE LIMITATION.—*(1)* The Federal share under this part may be—

[(1)] *(A)* not more than 90 percent of the total cost of the program in the first year the [local educational agency] *eligible entity* receives assistance under this part,

[(2)] *(B)* 80 percent in the second such year,

[(3)] *(C)* 70 percent in the third such year, and

[(4)] *(D)* 60 percent in the fourth and any subsequent such year.

[Funds may not be used for indirect costs.] *The remaining cost may be provided in cash or in kind, fairly evaluated, and may be obtained from any source other than funds made available for programs under this chapter.*

(2) The Secretary (in any fiscal year in which section 1052(a) applies) or the State educational agency (in any fiscal year in which section 1052(b) applies) may waive, in whole or in part,

the requirement that all or part of the remaining cost described in paragraph (1) be obtained from sources other than funds made available under this chapter if an eligible entity—

(A) demonstrates that it otherwise would not be able to participate in the program under this part; and

(B) negotiates an agreement with the Secretary or the State educational agency, as appropriate, with respect to the amount of the remaining cost to which the waiver would be applicable. The remaining cost may be obtained from any source other than funds made available for programs under this title.

SEC. 1055. ELIGIBLE PARTICIPANTS.

[Eligible**]** *(a) IN GENERAL.*—Except as provided in subsection (b), eligible participants shall be—

(1) a parent or parents who are eligible for participation in an adult basic education program under the Adult Education Act; and

(2) the child or children **[**aged 1 to 7,**]** *(from birth to age 7,* inclusive), of any individual under paragraph (1), who reside in a school attendance area designated for participation in programs under part A.

(b) CONTINUATION OF ELIGIBILITY FOR CERTAIN PARTICIPANTS.—Any family participating in the program under this part that becomes ineligible for such participation as a result of 1 or more members of the family becoming ineligible for such participation, may continue to participate in the program until all members of the family become ineligible for participation, which—

(1) in the case of a family in which ineligibility was due to the child or children of such family attaining the age of 8, shall be when the parent or parents become ineligible due to educational advancement; and

(2) in the case of a family in which ineligibility was due to the educational advancement of the parent or parents of such family, shall be when all children in the family attain the age of 8.

SEC. 1056. APPLICATIONS.

(a) SUBMISSION.—To be eligible to receive a grant under this part **[**a local educational agency**]** *an eligible entity* shall submit an application to the Secretary under section 1052(a) and to the State educational agency under section 1052(b) in such form and containing or accompanied by such information as the Secretary or the State educational agency, as the case may be, may require.

(B) REQUIRED DOCUMENTATION.—Such application shall include documentation that the **[**local educational agency**]** *eligible entity* has the qualified personnel required—

(1) * * *

* * * * * * *

SEC. 1057. AWARD OF GRANTS.

(a) SELECTION PROCESS.—*(1)* The Secretary or each State educational agency, as the case may be, shall appoint a review panel that will award grants on the basis of proposals which—

[(1)] *(A)* are most likely to be successful in meeting the goals of this part;

[(2) serve the greatest percentage of eligible children and parents as described in section 1055;]

(B) demonstrate that the area to be served by such program has a high percentage or a large number of children and adults who are in need of such services as indicated by high levels of poverty, illiteracy, unemployment, limited English proficiency, or other need-related indicators;

[3] *(C)* demonstrate the greatest degree of cooperation and coordination between a variety of relevant service providers in all phases of the program;

[(4)] *(D)* submit budgets which appear reasonable, given the scope of the proposal;

[(5)] *(E)* demonstrate the [local educational agency's] *eligible entity's* ability to provide additional funding under section 1054(c);

[(6)] *(F)* are representative of urban and rural regions of the State or of the United States, as the case may be; and

[(7)] *(G)* show the greatest promise for providing models which may be transferred to other local educational agencies.

(2) The review panel shall give priority for grants under this subsection to proposals which—

(A) make the demonstration described in paragraph (1)(B); and

(B) demonstrate an ability to operate an effective program.

* * * * * * *

[(c) EQUITABLE DISTRIBUTION OF ASSISTANCE.—In approving grants under this part under section 1052(a), the Secretary shall assure an equitable distribution of assistance among the States, among urban and rural areas of the United States, and among urban and rural areas of a State.]

(c) DISTRIBUTION OF ASSISTANCE.—(1) In approving grants under this part pursuant to section 1052(a), the Secretary shall ensure a representative distribution of assistance among the States and among urban and rural areas of the United States.

(2) In approving grants under this part pursuant to section 1052(b), the review panel shall ensure a representative distribution of assistance between urban and rural areas of the State.

(d) DURATION.—(1) Grants may be awarded for a period not to exceed 4 years. In any application from [a local educational agency] *an eligible entity* for a grant to continue a project for the second, third, or fourth fiscal year following the first fiscal year in which a grant was awarded to [such local educational agency] *an eligible entity*, the Secretary or the State educational agency, as the case may be, shall review the progress being made toward meeting the objectives of the project. The Secretary or the State educational agency, as the case may be, may refuse to award a grant if the Secretary or such agency finds that sufficient progress has not been made toward meeting such objectives, but only after affording the applicant notice and an opportunity for a hearing.

* * * * * * *

SEC. 1059. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated for the purposes of this part $50,000,000 for the fiscal year 1989 and such sums as may be necessary for each of the fiscal years 1990, 1991, 1992, and 1993.]

SEC. 1059. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for purposes of carrying out this part such sums as may be necessary for the fiscal year 1991, $60,000,000 for the fiscal year 1992, and such sums as may be necessary for the fiscal year 1993.

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CHAPTER 2—FEDERAL, STATE, AND LOCAL PARTNERSHIP FOR EDUCATIONAL IMPROVEMENT

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PART A— STATE AND LOCAL PROGRAMS

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Subpart 3—Local Targeted Assistance Programs

SEC. 1531. TARGETED USE OF FUNDS.

(a) * * *

(b) TARGETED ASSISTANCE.—The targeted assistance programs referred to in subsection (a) are—

(1) * * *

* * * * * * *

(5) programs of training to enhance the ability of teachers and school counselors to identify, particularly in the early grades, students with reading and reading-related problems that place such students at risk for illiteracy in their adult years;

[(5)] *(6)* programs designed to enhance personal excellence of students and student achievement, including instruction in ethics, performing and creative arts, humanities, activities in physical fitness and comprehensive health education, and participation in community service projects; and

[(6)] *(7)* other innovative projects which would enhance the educational program and climate of the school, including programs for gifted and talented students, technology education programs, early childhood education programs, community education and programs for youth suicide prevention.

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PART B—NATIONAL PROGRAMS AND ACTIVITIES

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SEC. 1563. INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION.

(a) * * *

(b) REQUIREMENTS OF CONTRACT.—The contract shall provide that—

(1) * * *

(2) funds made available by the Secretary to a contractor pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating reading motivational programs as provided in paragraph (1); [and]

(3) in the fiscal year 1991 and each succeeding fiscal year, the contractor will give priority in the selection of additional local programs to programs and projects which serve children and students with special needs including, at a minimum—

(A) low-income children (particularly such children in high poverty areas);

(B) children at risk for school failure;

(C) children with disabilities;

(D) emotionally disturbed children;

(E) foster children;

(F) homeless children;

(G) migrant children;

(H) children without access to libraries;

(I) institutionalized or incarcerated children; and

(J) children whose parents are institutionalized or incarcerated; and

[(3)] *(4)* the contractor will meet such other conditions and standards as the Secretary determines to be necessary to assure the effectiveness of the programs authorized by this section and will provide such technical assistance as may be necessary to carry out the purposes of this section.

* * * * * * *

SEC. 1566. BLUE RIBBON SCHOOLS PROGRAM.

(a) GENERAL AUTHORITY.—[The] *Subject to subsection (d), the* Secretary is authorized to carry out programs to recognize elementary and secondary schools or programs which have established standards of excellence and which have demonstrated a high level of quality. Such programs shall be designated as "Blue Ribbon Schools". In selecting schools and programs to be recognized, the Secretary shall competitively select public and private schools or programs within local educational agencies in the States, schools operated for Indian children by the Department of the Interior, and schools operated by the Department of Defense for dependents of Department of Defense personnel.

* * * * * * *

(d) BLUE RIBBON AWARDS FOR CORRECTIONAL EDUCATION PROGRAMS.—The Secretary, through nominations provided by the Office on Correctional Education after consultation with representatives of correctional education organizations and others active in literacy education, shall annually make 1 or more awards under this section to effective and innovative programs for inmate education and literacy.

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SECTION 601 OF THE LIBRARY SERVICES AND CONSTRUCTION ACT

TITLE VI—LIBRARY LITERACY PROGRAMS

STATE AND LOCAL LIBRARY GRANTS

SEC. 601. (a) * * *

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(f) In awarding grants under this section the Secretary shall give priority to programs and services which—

(1) will be delivered in areas of greatest need which have highest concentrations of adults who do not have a secondary education or its equivalent, and which—

(A) have few community or financial resources to establish the program described under this section without Federal assistance, or

(B) have low per capita income, unemployment or underemployment; and

(2) coordinate with literacy organizations and community based organizations providing literacy services.

DOMESTIC VOLUNTEER SERVICE ACT OF 1973

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TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

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PART C—SPECIAL VOLUNTEER PROGRAMS

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LITERACY CHALLENGE GRANTS

SEC. 125. (a) The Director is authorized to award challenge grants to eligible public agencies and private organizations to pay the Federal share of the costs of establishing, operating or expanding community or employee literacy programs or projects that include the use of full-time or part-time volunteers as one method of addressing illiteracy.

(b) Each eligible organization desiring a grant under this section shall submit to the ACTION Agency an application in such form and accompanied by such information as the Director may reasonably require. Each such application shall—

(1) describe the activities for which assistance is sought,

(2) contain assurances that the eligible organization will provide from non-Federal sources the non-Federal share of the cost of the program or project,

(3) provide assurances, satisfactory to the Director, that the literacy project will be operated in cooperation with other public and private agencies and organizations interested in, and qualified to, combat illiteracy in the community where the project is to be conducted, and

(4) contain such other information and assurances as the Director may reasonably require.

(c)(1)(A) The Federal share of the cost of a program or project authorized by this section administered by a public agency, a nonprofit organization other than an organization described in paragraph (2), or a private, for-profit organization shall not exceed—

(i) 80 percent in the first fiscal year;

(ii) 70 percent in the second fiscal year; and

(iii) 60 percent in the third fiscal year.

(B) The non-Federal share paid by a private, for-profit organization shall be in cash.

(2) The Federal share of the cost of a program or project administered by a nonprofit or community-based organization shall not exceed—

(A) 90 percent in the first fiscal year;

(B) 80 percent in the second fiscal year; and

(C) 70 pecent in the third fiscal year.

(3) The non-Federal share provided by a public agency or a nonprofit or community-based organization may be provided in cash, or in kind, fairly evaluated, and may include the use of plant, equipment, and services.

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TITLE V—AUTHORIZATION OF APPROPRIATIONS

NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS AUTHORIZATION

SEC. 501. (a) * * *

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(c) *(1)* There is authorized to be appropriated to carry out part C of title I of this Act (other than section 124(b)) $1,984,000 for each of the fiscal years 1987, 1988, and 1989, $1,100,000 for fiscal year 1990, $1,150,000 for fiscal year 1991, $1,200,000 for fiscal year 1992, and $1,275,000 for fiscal year 1993. In addition to the amounts authorized to be appropriated by the preceding sentence, there is authorized to be appropriated the aggregate sum of $5,500,000 for fiscal years 1987 and 1988 to be made available for drug abuse prevention. In addition to the amounts authorized to be appropriated by the preceding sentences, there are authorized to be appropriated for support of drug abuse prevention $4,000,000 in the fiscal

year 1989, $5,000,000 for each of the fiscal years 1990 and 1991, $5,250,000 for fiscal year 1992, and $5,500,000 for fiscal year 1993. With respect to amounts appropriated for any fiscal year pursuant to the authorization contained in the preceding sentence, the Director—

[(1)] *(A)* shall use not less than 15 percent and not more than 25 percent of such amounts for purposes of carrying out section 124(b); and

[(2)] *(B)* shall ensure that not more than $500,000 is used for program support.

(2) Except as provided in paragraph (3) and in addition to the amounts authorized to be appropriated pursuant to paragraph (1) there is authorized to be appropriated $2,500,000 for the fiscal year 1992 and such sums as may be necessary for 1993 for Literacy Challenge Grants under section 125.

(3) No funds shall be appropriated pursuant to paragraph (2) in any fiscal year unless—

(A) the funds available in such fiscal year for the VISTA Program under part A of title I are sufficient to provide the years of volunteer service specified for such fiscal year under section 501(d)(1) for the VISTA Program; and

(B) the funds available in such fiscal year for the VISTA Literacy Corps under part A of title I are sufficient to provide at least the same years of volunteer service as were provided in the fiscal year preceding such fiscal year.

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